




The National Treasury and Economic Planning

REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY
GOVERNMENT OF KENYA FROM 1ST SEPTEMBER 2023 TO 31ST
JANUARY 2024

 THE NATIONAL ASSEMBLY PAPERS LAID		
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REPORT TO PARLIAMENT ON ALL NEW LOANS CONTRACTED BY GOVERNMENT FROM 1ST SEPTEMBER 2023 TO 31ST JANUARY 2024

Section 1- Introduction

This report on new loans is prepared in accordance with section 31 (3) of the Public Finance Management Act, 2012 and covers the period from 1st September 2023 to 31st January 2024. Section 31(3) requires that *“the Cabinet Secretary shall submit a report to Parliament stating the loan balances brought forward, carried down, drawings and amortizations on new loans obtained from outside Kenya or denominated in foreign currency, and such other information as may be prescribed by regulations, specifying—*

- (a) the names of the parties to the loan;*
- (b) the amount of the loan and the currency in which it is expressed and in which it is repayable;*
- (c) the terms and conditions of the loan, including interest and other charges payable and the terms of repayment;*
- (d) the amount of the loan advanced at the time the report is submitted;*
- (e) the purpose for which the loan was used and the perceived benefits of the loan.”*

Section 2 - Details of the new loans.

This section of the report contains eleven (11) new loans contracted between Government of Kenya and, multilateral and commercial creditors. Ten of the loans are from multilateral lenders, and one from commercial lender. The total value of the 11 new loans signed is equivalent to Kshs. 223,541,581,121. Two of the loans had disbursed by the time of submitting this report. The loans are as follows:

1. Development of Urban Roads in Five Counties – Phase 1 Project

i. The parties to the loan

The loan was signed on 23rd October 2023 between the OPEC Fund for International Development as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is USD 40,000,000 approximately equivalent to Kshs. 5,834,204,000 and will be repaid in US dollar.

iii. The terms and conditions of the loan

The loan will be repaid in 29 equal semi-annual repayments of USD 1,332,000 from 15th October 2028 through to 15th October 2042 and 1 instalment of USD 1,372,000 on 15th April 2043. The interest rate of the loan is 6 months SOFR plus a margin of 230 basis points. The commitment fee rate is 0.25 per cent per annum on the unwithdrawn amount of the loan. The front-end fee is 0.25 per cent of the loan.

iv. The purpose for the loan

To support Kenya's North Eastern province in achieving its full economic potential and improving the socio-economic welfare of its population. More specifically, the project shall create new job opportunities because of new transportation possibilities, improved market access and the possibility of labour migration. The Project shall also enhance economic development and boost investment, as a result of the reductions in travel time and costs.

2. National Youth Opportunities Towards Advancement Project

i. The parties to the loan

The loan was signed on 6th December 2023 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 91,100,000 approximately equivalent to Kshs. 14,298,573,170 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 11 equal semi-annual repayments of EUR 7,591,672.74 from 15th October 2029 through to 15th October 2034 and 1 instalment of EUR 7,591,599.86 on 15th April 2035. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To increase employment, earnings, and promote savings for Targeted Youth, at national scale.

3. Kenya Green and Resilient Expansion of Energy Program

i. The parties to the loan

The loan was signed on 15th December 2023 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 182,100,000 approximately equivalent to Kshs. 28,581,450,870 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual repayments of EUR 3,004,650 from 15th October 2028 through to 15th April 2048 and 10 equal semi-annual instalments of EUR 6,191,400 from 15th October 2048 through to 15th April 2053. The interest rate of the loan is 1.25 percent per annum plus the Basis Adjustment and the service charge is 0.75 percent per annum plus the basis adjustment on the withdrawn credit balance. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To improve financial viability of KPLC and increase access to electricity.

4. Second Program for Strengthening Governance for Enabling Service Delivery and Public Investment in Kenya

i. The parties to the loan

The loan was signed on 19th December 2023 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 235,700,000 approximately equivalent to Kshs. 36,994,222,790 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual repayments of EUR 3,889,050 from 15th March 2029 through to 15th September 2048 and 10 equal semi-annual instalments of EUR 8,013,800 from 15th March 2049 through to 15th September 2053. The interest rate of the loan is 1.25 percent per annum plus the Basis Adjustment and the service charge is 0.75 percent per annum plus the basis adjustment on the withdrawn credit balance. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To enhance revenue mobilization and deepen accountability and transparency of public finance management at the national government level.

5. Second Additional Financing for Kenya Water Security and Climate Resilience Project

i. The parties to the loan

The loan was signed on 21st December 2023 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is SDR 22,600,000 approximately equivalent to Kshs. 4,366,839,851 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual repayments of SDR 372,900 from 15th April 2029 through to 15th October 2048 and 10 equal semi-annual instalments of SDR 768,400 from 15th April 2049 through to 15th October 2053. The interest rate of the loan is 1.25 percent per annum plus the basis adjustment and the service charge is 0.75 percent per annum plus the basis adjustment on the withdrawn credit balance. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To increase access to irrigation water for project beneficiaries, and enhance the institutional framework and strengthen capacity for water security and climate resilience in certain areas of the territory of the recipient.

6. Kenya Green and Resilient Expansion of Energy Program

i. The parties to the loan

The loan was signed on 15th December 2023 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 182,100,000 approximately equivalent to Kshs. 28,581,450,870 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 11 equal semi-annual repayments of EUR 15,175,012.14 from 15th October 2029 through to 15th October 2034 and 1 instalments of EUR 15,174,866 on 15th April 2035. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To improve financial viability of KPLC and increase access to electricity.

7. National Youth Opportunities Towards Advancement Project

i. The parties to the loan

The loan was signed on 6th December 2023 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 91,100,000 approximately equivalent to Kshs. 14,298,573,170 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual repayments of EUR 1,503,150 from 15th October 2028 through to 15th April 2048 and 10 equal semi-annual instalments of EUR 3,097,400 from 15th October 2048 through to 15th April 2053. The interest rate of the loan is 1.25 percent per annum plus the basis adjustment and the service charge is 0.75 percent per annum plus the basis adjustment on the withdrawn credit balance. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To increase employment, earnings, and promote savings for Targeted Youth, at national scale.

8. Second Kenya Urban Support Program

i. The parties to the loan

The loan was signed on 21st December 2023 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 136,600,000 approximately equivalent to Kshs. 21,440,012,020 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 11 equal semi-annual repayments of EUR 11,383,342.44 from 15th October 2029 through to 15th October 2034 and 1 instalments of EUR 11,383,233.16 on 15th April 2035. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To strengthen the capacities of urban institutions to:

- i. Improve the delivery and resilience of urban infrastructure and services;
- ii. Enhance the private sector engagement in urban planning; and
- iii. Support the transition of refugee camps into integrated host community and refugee settlements.

9. Second Kenya Urban Support Program

i. The parties to the loan

The loan was signed on 21st December 2023 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 136,600,000 approximately equivalent to Kshs. 21,440,012,020 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual repayments of EUR 2,253,900 from 15th October 2028 through to 15th April 2048 and 10 equal semi-annual instalments of EUR 4,644,400 from 15th October 2048 through to 15th April 2053. The interest rate of the loan is

1.25 percent per annum plus the basis adjustment and the service charge is 0.75 percent per annum plus the basis adjustment on the withdrawn credit balance. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To strengthen the capacities of urban institutions to:

- i. Improve the delivery and resilience of urban infrastructure and services;
- ii. Enhance the private sector engagement in urban planning; and
- iii. Support the transition of refugee camps into integrated host community and refugee settlements.

10. Syndicated Term Loan Facility

i. The parties to the loan

The loan was signed on 28th December 2023 between Eastern and Southern African Trade and Development Bank as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is USD 210,000,000 approximately equivalent to Kshs. 30,629,571,000 and will be repaid in US Dollar.

iii. The terms and conditions of the loan

Tranche 1 loans and the Tranche 1 incremental facility loans will be repaid in 4 equal semi-annual instalments of USD 2,500,000 on each applicable repayment date, Tranche 2 loans and the Tranche 2 incremental facility loans will be repaid in 8 equal semi-annual instalments of USD 12,500,000 on each applicable repayment date, and Tranche 3 loans and the Tranche 3 incremental facility loans will be repaid in 12 equal semi-annual instalments of USD 8,333,333.33 on each applicable repayment date. The interest rate is: 6 months SOFR plus a margin of 6.75 per cent per annum on the disbursed loan balance for Tranche 1 facility loan; 6 months SOFR plus a margin of 7.50 per cent per annum on the disbursed loan balance for Tranche 2 facility loan; and 6 months SOFR plus a margin of 8.00 per cent per annum on the disbursed loan balance for Tranche 3 facility loan. The borrower shall pay an arrangement fee and an agency fee in the amount and the times agreed in a fee letter.

iv. The purpose for the loan

To fund the development projects; refinancing or repurchase of Eurobonds issued by the Borrower; and payment of any fees, costs and expenses in connection with the finance documents.

11. Health Emergency Preparedness, Response and Resilience Program Using the Multiphase Programmatic Approach

i. The parties to the loan

The loan was signed on 3rd January 2024 between the International Development Association (IDA) as the lender and Government of Kenya as the borrower.

ii. The amount of the loan and the currency

The amount of the loan is EUR 108,800,000 approximately equivalent to Kshs. 17,076,671,360 and will be repaid in Euro.

iii. The terms and conditions of the loan

The loan will be repaid in 40 equal semi-annual repayments of EUR 1,795,200 from 15th November 2028 through to 15th May 2048 and 10 equal semi-annual instalments of EUR 3,699,200 from 15th November 2048 through to 15th May 2053. The interest rate of the loan is 1.25 percent per annum plus the basis adjustment and the service charge is 0.75 percent per annum plus the basis adjustment on the withdrawn credit balance. The commitment charge rate is 0.5 per cent per annum on the unwithdrawn financing balance.

iv. The purpose for the loan

To strengthen health system resilience and multisectoral preparedness and response to Health Emergencies in Kenya.

REPORT ON COMPLIANCE WITH THE NATIONAL GOVERNMENT BOND LIST SEPTEMBER 2021 TO JUNE 2021

No.	Purpose of the Loan	Perceived benefits	Creditor	Borrower	Original loan amount	Min Equivalent	Balance	Loan Currency	Interest of payment	Agreement Date	Maturity Date	Indebtedness during the period (KSh)	Outstanding amount as at January, 2024	Grace period	Interest rate	Terms of repayment
A. BOND																
1	Development of Urban Roads & Flyovers Project	To support Kenya's Vision 2030 in achieving a full economic potential and improving the socio-economic welfare of the country. The project will create new job opportunities because of new transport routes, road network, improved market access and services. The project shall also enhance economic growth and boost investment, as a result of the reduction in travel time and costs.	DFP/Finland for Development	Kenya	40,000,000.00	5,143,254,000.00	148.86 USD	EUR	3.80	23rd October 2023	15th April 2025	160,000.00	14,835,510.00	5 years	4.8 years	The interest rate of the loan is 6 months 30/360 plus a margin of 200 basis points. The commitment fee is 0.25 percent per annum on the undrawn amount of the loan through to 15th April 2025.
2	Nairobi Youth Income Advancement Project	To increase employment, earnings and promote entrepreneurship among the youth in Nairobi State.	DFP/Finland for Development	Kenya	91,100,000.00	14,298,975,170.00	158.97 EUR	EUR	3.80	30th December 2023	15th April 2025	Not Disbursed	Not Disbursed	6 years	4.8 years	The interest rate of the loan is 6 months 30/360 plus a margin of 200 basis points. The commitment fee is 0.25 percent per annum on the undrawn amount of the loan through to 15th April 2025.
3	Nairobi Youth Income Advancement Project	To increase employment, earnings and promote entrepreneurship among the youth in Nairobi State.	DFP/Finland for Development	Kenya	91,100,000.00	14,298,975,170.00	158.97 EUR	EUR	3.80	30th December 2023	15th April 2025	Not Disbursed	Not Disbursed	6 years	4.8 years	The interest rate of the loan is 6 months 30/360 plus a margin of 200 basis points. The commitment fee is 0.25 percent per annum on the undrawn amount of the loan through to 15th April 2025.
B. VOLUNTARIES																
4	Nairobi Youth Income Advancement Project	To increase employment, earnings and promote entrepreneurship among the youth in Nairobi State.	DFP/Finland for Development	Kenya	91,100,000.00	14,298,975,170.00	158.97 EUR	EUR	3.80	30th December 2023	15th April 2025	Not Disbursed	Not Disbursed	6 years	4.8 years	The interest rate of the loan is 6 months 30/360 plus a margin of 200 basis points. The commitment fee is 0.25 percent per annum on the undrawn amount of the loan through to 15th April 2025.
C. ENERGY																
5	Kenya Green and Fuelwood Expansion of Energy Program	To improve financial viability of ETRC and increase access to electricity.	DFP/Finland for Development	Kenya	182,100,000.00	28,291,426,370.00	158.97 EUR	EUR	3.80	15th December 2023	15th April 2025	Not Disbursed	Not Disbursed	5.5 years	4.8 years	The interest rate of the loan is 6 months 30/360 plus a margin of 200 basis points. The commitment fee is 0.25 percent per annum on the undrawn amount of the loan through to 15th April 2025.
D. GOVERNANCE																
6	Second Kenya Urban Slum Upgrading Programme	To increase revenue mobilization and adopt accountability and transparency of public finance management in the urban government sector.	DFP/Finland for Development	Kenya	233,700,000.00	36,294,222,790.00	158.97 EUR	EUR	3.80	15th December 2023	15th April 2025	Not Disbursed	Not Disbursed	5.5 years	4.8 years	The interest rate of the loan is 6 months 30/360 plus a margin of 200 basis points. The commitment fee is 0.25 percent per annum on the undrawn amount of the loan through to 15th April 2025.
E. WATER																
7	Second Kenya Urban Slum Upgrading Programme	To increase access to safe water for project beneficiaries and enhance the financial viability of the project.	DFP/Finland for Development	Kenya	22,600,000.00	4,364,019,851.44	193.22 EUR	USD	3.80	21st December 2023	15th April 2025	Not Disbursed	Not Disbursed	5.5 years	4.8 years	The interest rate of the loan is 6 months 30/360 plus a margin of 200 basis points. The commitment fee is 0.25 percent per annum on the undrawn amount of the loan through to 15th April 2025.
F. INFRASTRUCTURE																
8	Second Kenya Urban Slum Upgrading Programme	To strengthen the capacity of urban residents to enhance their quality of life through urban infrastructure and services.	DFP/Finland for Development	Kenya	18,600,000.00	21,440,012,203.00	158.97 EUR	EUR	3.80	21st December 2023	15th April 2025	Not Disbursed	Not Disbursed	5.5 years	4.8 years	The interest rate of the loan is 6 months 30/360 plus a margin of 200 basis points. The commitment fee is 0.25 percent per annum on the undrawn amount of the loan through to 15th April 2025.
9	Second Kenya Urban Slum Upgrading Programme	To strengthen the capacity of urban residents to enhance their quality of life through urban infrastructure and services.	DFP/Finland for Development	Kenya	18,600,000.00	21,440,012,203.00	158.97 EUR	EUR	3.80	21st December 2023	15th April 2025	Not Disbursed	Not Disbursed	5.5 years	4.8 years	The interest rate of the loan is 6 months 30/360 plus a margin of 200 basis points. The commitment fee is 0.25 percent per annum on the undrawn amount of the loan through to 15th April 2025.
G. HEALTH																
10	Health Empowerment Programme	To strengthen urban system resilience and multi-sectoral preparedness and response to health emergencies in Kenya.	DFP/Finland for Development	Kenya	198,800,000.00	17,076,671,560.00	158.97 EUR	EUR	3.80	31st January 2024	15th May 2025	Not Disbursed	Not Disbursed	4.8 years	4.8 years	The interest rate of the loan is 6 months 30/360 plus a margin of 200 basis points. The commitment fee is 0.25 percent per annum on the undrawn amount of the loan through to 15th April 2025.
H. EDUCATION																
11	Health Empowerment Programme	To fund the development priority, rehabilitation and replacement of textbooks used by the borrower and payment of any fees, costs and expenses in connection with the finance documents.	DFP/Finland for Development	Kenya	210,000,000.00	30,625,271,000.00	148.86 USD	USD	3.80	30th December 2023	15th April 2025	Not Disbursed	Not Disbursed	4.8 years	4.8 years	The interest rate of the loan is 6 months 30/360 plus a margin of 200 basis points. The commitment fee is 0.25 percent per annum on the undrawn amount of the loan through to 15th April 2025.
TOTAL																
					233,244,281,121.44	30,644,156,510.00	30,644,156,510.00						30,644,156,510.00			

Kenya Government of Kenya, 2021